



April 18, 2022

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-0609

Re: NYSE Arca, Inc.'s Application to Convert to Grayscale BTC Trust to ETF

Dear Ms. Countryman:

We write in support of the proposal by NYSE Arca, Inc. ("Arca") pursuant to rule 19b-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to list shares of Grayscale Bitcoin Trust ("GBTC") under NYSE Arca Rule 8.201-E as an exchange-traded fund ("ETF"). BitGo strongly urges the Security Exchange Commission ("The Commission") to approve NYSE Arca's application.

BitGo is a regulated, digital asset trust company and security company, headquartered in Palo Alto, California and was founded in 2013. The company offers a multisignature bitcoin wallet service, where keys are divided among a number of owners to manage risk. BitGo's safely and securely custodies bitcoin for its customers who chose to make direct investments in digital assets. BitGo supports investor choice and therefore supports the GBTC's application to convert to an ETF that offers continuous share creation and redemption.

The Commission has a critical mission to protect investors – a position BitGo strongly supports. BitGo submits that investors would be better protected by the approval of this application. GBTC's conversion would improve market structure and competition for retail investors that invest in digital assets. Over the years, the general public has demonstrated significant and wide-spread interest in investing in Bitcoin. Retail investors already invest in bitcoin through many different methods, such as using digital asset exchange, participating in a private placement, investing in an ETF that holds bitcoin futures contracts, using crypto-linked credit cards and investing in publicly traded companies that hold digital assets on their balance sheet.

We applaud the Commission's decision to allow the listing and trading of ETFs that hold bitcoin futures contracts. However, we encourage the Commission to act to approve a spot bitcoin ETF to give investors safer investment options; as you are aware, futures-based ETF products do not offer the same stability as asset-backed ETF products, and this concept is difficult and subtle for retail investors to understand. ETF options should include a fully regulated vehicle that tracks the current – rather than expected future – price of bitcoin. An ETF with redemption capacity would be able to more closely track current prices. There is no basis permit investment in a future contract but not the asset itself. Investment in the futures contract is less efficient – futures generally trade at a premium to spot and futures contracts are impacted by other costs that are specific to the futures market including the costs of the purchasing and rolling



forward contracts. A spot ETF would be simpler, safer, more efficient and allow retail investors a more direct exposure to the asset they seek at its current value.

While the Commission has expressed concerns regarding a spot bitcoin ETF due to concerns about the risk of manipulation, this concern is misplaced. Bitcoin is a widely-traded asset with a market capital of over \$750B and trading volumes of tens of billions daily. The sheer size of this widely held market demonstrates the difficulty of manipulation. The underlying index for futures ETFs is the Crypto Facilities CME Bitcoin Reference Rate ("CME BRR"). The CME BRR is composed of spot BTC/USD prices from four mature exchanges that represent a significant number of market participants and trading: Coinbase, Kraken, Bitstamp, and Gemini. These exchanges all have regulated participants and market manipulation controls. Given the broad market impact and price discovery available, we urge the Commission to consider approving GBTC's application to convert to an ETF. We submit that a bitcoin spot market ETF would not subject the retail investors to any materially increased risk for market manipulation than exists in connection with the bitcoin futures ETFs already registered under the Investment Company Act of 1940.

Investors who benefit from options to make smart investments would strongly benefit from the option of a variety of fully regulated exchange traded products to access the digital asset market. Market structure improves with increased competition, leading to better execution options and better prices for retail investors. For these reasons, BitGo urges the Commission to permit the conversion of GBTC into a spot ETF. We thank the Commission for the opportunity to provide comment on this important matter and are available for any questions that the Commission may have.

Sincerely,

A handwritten signature in black ink, appearing to read "C Lentchner". The signature is fluid and cursive, with the first letter "C" being large and prominent.

Cassandra Lentchner
President & Chairman of BitGo Trust Company Inc.